

SUBSTITUTE FOR
HOUSE BILL NO. 4614

A bill to amend 2004 PA 175, entitled
"Streamlined sales and use tax revenue equalization act,"
by amending sections 3 and 5 (MCL 205.173 and 205.175).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. As used in this act:

2 (A) "ALTERNATIVE FUEL" MEANS THAT TERM AS DEFINED IN SECTION
3 151 OF THE MOTOR FUEL TAX ACT, 2000 PA 403, MCL 207.1151.

4 (B) ~~(a)~~ "Department" means the department of treasury.

5 (C) ~~(b)~~ "Diesel fuel" means that term as defined in section
6 ~~2(p)~~ 2 of the motor fuel tax act, 2000 PA 403, MCL 207.1002.

7 (D) "GALLON EQUIVALENT" MEANS THAT TERM AS DEFINED IN SECTION
8 151 OF THE MOTOR FUEL TAX ACT, 2000 PA 403, MCL 207.1151.

9 (E) "GASOLINE" MEANS THAT TERM AS DEFINED IN SECTION 3 OF THE
10 MOTOR FUEL TAX ACT, 2000 PA 403, MCL 207.1003.

11 (F) ~~(e)~~ "Interstate motor carrier" means a person who operates

1 or causes to be operated a qualified commercial motor vehicle on a
 2 public road or highway in this state and at least 1 other state or
 3 Canadian province.

4 (G) **"MOTOR FUEL" MEANS DIESEL FUEL AND GASOLINE.**

5 (H) ~~(d)~~—"Person" means an individual, firm, partnership, joint
 6 venture, association, social club fraternal organization, municipal
 7 or private corporation whether or not organized for profit,
 8 company, limited liability company, estate, trust receiver,
 9 trustee, syndicate, the United States, this state, country, or any
 10 other group or combination acting as a unit, and the plural as well
 11 as the singular number, unless the intention to give a more limited
 12 meaning is disclosed by the context.

13 (I) ~~(e)~~—"Qualified commercial motor vehicle" means that term
 14 as defined in section 1 of the motor carrier fuel tax act, 1980 PA
 15 119, MCL 207.211.

16 (J) ~~(f)~~—"Sales tax" means the tax levied under the general
 17 sales tax act, 1933 PA 167, MCL 205.51 to 205.78.

18 (K) ~~(g)~~—"Tax" includes all taxes, interest, or penalties
 19 levied under this act.

20 (L) ~~(h)~~—"Taxpayer" means a person subject to tax under this
 21 act.

22 (M) ~~(i)~~—"Use tax" means the tax levied under the use tax act,
 23 1937 PA 94, MCL 205.91 to 205.111.

24 Sec. 5. (1) There is levied upon and there shall be collected
 25 from every person in this state who is an interstate motor carrier
 26 a specific tax for the privilege of using or consuming ~~diesel~~**MOTOR**
 27 **FUEL AND ALTERNATIVE** fuel in a qualified commercial motor vehicle

1 in this state.

2 (2) FOR MOTOR FUEL UPON WHICH THE TAX IMPOSED UNDER SUBSECTION
3 (1) APPLIES, THE TAX SHALL BE IMPOSED at a cents-per-gallon rate
4 equal to 6% of the statewide average retail price of a gallon of
5 self-serve UNDYED NO. 2 ULTRA-LOW SULFUR diesel fuel OR SELF-SERVE
6 UNLEADED REGULAR GASOLINE, AS APPLICABLE, rounded down to the
7 nearest 1/10 of a cent as determined and certified quarterly by the
8 department. This tax on ~~diesel~~-MOTOR fuel used by interstate motor
9 carriers in a qualified commercial motor vehicle shall be collected
10 under the international fuel tax agreement. AN INTERSTATE MOTOR
11 CARRIER IS ENTITLED TO A CREDIT FOR 6% OF THE PRICE OF MOTOR FUEL
12 PURCHASED IN THIS STATE AND USED IN A QUALIFIED COMMERCIAL MOTOR
13 VEHICLE. THIS CREDIT SHALL BE CLAIMED ON THE RETURNS FILED UNDER
14 THE INTERNATIONAL FUEL TAX AGREEMENT.

15 (3) FOR ALTERNATIVE FUEL UPON WHICH THE TAX IMPOSED UNDER
16 SUBSECTION (1) APPLIES, THE TAX SHALL BE IMPOSED AT A CENTS-PER-
17 GALLON RATE, OR CENTS-PER-GALLON EQUIVALENT RATE, AS APPLICABLE,
18 EQUAL TO 6% OF THE AVERAGE RETAIL PRICE OF A GALLON OR GALLON
19 EQUIVALENT, AS APPLICABLE, OF THE APPLICABLE ALTERNATIVE FUEL
20 ROUNDED DOWN TO THE NEAREST 1/10 OF A CENT AS DETERMINED AND
21 CERTIFIED QUARTERLY BY THE DEPARTMENT. FOR PURPOSES OF THIS
22 SUBSECTION, THE AVERAGE RETAIL PRICE IS TO BE BASED ON THE
23 STATEWIDE AVERAGE PRICE OF THE PARTICULAR ALTERNATIVE FUEL, AS
24 DETERMINED BY THE DEPARTMENT, UNLESS THE DEPARTMENT DETERMINES THAT
25 A STATEWIDE AVERAGE IS NOT READILY AVAILABLE. IF A STATEWIDE
26 AVERAGE IS NOT READILY AVAILABLE, THE DEPARTMENT MAY USE AVAILABLE
27 REGIONAL OR NATIONWIDE AVERAGE RETAIL PRICING INFORMATION, OR WHEN

1 REGIONAL OR NATIONWIDE PRICING INFORMATION CANNOT BE READILY
2 OBTAINED, MAY USE THE AVERAGE RETAIL PRICE APPLICABLE TO GASOLINE
3 UNDER SUBSECTION (2) FOR COMPRESSED NATURAL GAS OR THE AVERAGE
4 RETAIL PRICE APPLICABLE TO DIESEL FUEL UNDER SUBSECTION (2) FOR ALL
5 OTHER TYPES OF ALTERNATIVE FUEL, WITH ADJUSTMENTS AS THE DEPARTMENT
6 DETERMINES ARE APPROPRIATE TO CONVERT GASOLINE OR DIESEL FUEL
7 PRICES TO PRICES FOR ALTERNATIVE FUEL.

8 (4) ~~(2)~~—THE TAX ON ALTERNATIVE FUEL UNDER SUBSECTION (3) USED
9 BY INTERSTATE MOTOR CARRIERS IN A QUALIFIED COMMERCIAL MOTOR
10 VEHICLE SHALL BE COLLECTED UNDER THE INTERNATIONAL FUEL TAX
11 AGREEMENT. An interstate motor carrier is entitled to a credit for
12 6% of the price of ~~diesel~~—ALTERNATIVE fuel purchased in this state
13 and used in a qualified commercial motor vehicle. This credit shall
14 be claimed on the returns filed under the international fuel tax
15 agreement.

16 Enacting section 1. This amendatory act takes effect October
17 1, 2015.

18 Enacting section 2. This amendatory act does not take effect
19 unless all of the following bills of the 98th Legislature are
20 enacted into law:

21 (a) House Bill No. 4615.

22 (b) House Bill No. 4616.